

The Center for Methane Emissions Solutions
Washington, DC

December 8, 2017

BY EMAIL

U.S. Environmental Protection Agency

Re: Notice of Data Availability Regarding Proposed Stay of New Source Performance Standards
– Docket ID No. EPA-HQ-OAR-2010-0505

The Center for Methane Emissions Solutions (CMES) offers the following comments with respect to the EPA's notice of data availability regarding the proposed stay of Emission Standards for New and Modified Sources in the Oil and Natural Gas Sector. CMES is a coalition within a non-profit organization that represents the views of companies in the methane mitigation industry in the United States, specifically in the leak detection and repair (LDAR) space.

The methane mitigation industry is a robust and growing American industry. 130 companies have headquarters in the U.S., and there are approximately 570 methane mitigation facilities located across the country. These facilities are manufacturing plants, assembly facilities, service centers, service provider offices, and administrative offices.

CMES represents a range of companies within the industry and was founded to provide a voice for American businesses that develop and manufacture cutting edge technologies, install commercial technologies, and aid inspectors on the job to significantly cut methane waste on a cost-effective basis across the oil and gas supply chain. These technologies help detect and capture an otherwise wasted American resource; studies have shown that the technology to address this issue is cost effective and will often result in net profits for the oil and gas industry.

CMES is disappointed by EPA's decision to consider staying or extending compliance dates for the Emission Standards for New and Modified Sources in the Oil and Natural Gas Sector (NSPS). As an active participant in the rulemaking process, CMES can attest to the fact that the guidelines were promulgated with considerable input from industry and devised reasonably achievable compliance requirements on industry.

Methane mitigation companies are fully ready and able to help operators meet NSPS requirements as currently in effect—indeed, CMES members are already helping operators comply with the standards. There is no need to extend the “phase-in” periods for compliance with the LDAR requirements in the NSPS. The methane mitigation industry has the expertise, technology, and capacity to achieve the NSPS now, without any need for additional “build-up” in industry to meet demand. In the two years since the NSPS was proposed, methane mitigation companies have already scaled-up to meet the demand of the NSPS. Companies are further able to quickly train additional LDAR technicians and produce additional equipment as needed.

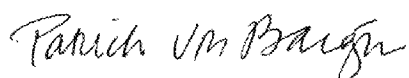
In the United States, the oil and gas sector is the largest industrial source of methane emissions. These emissions represent a significant economic challenge: every year, America loses nearly \$2 billion worth of methane due to inefficiencies at oil and gas well sites including faulty equipment and venting and flaring practices. Responding to this market challenge, companies have developed effective, low-cost LDAR services and technologies that reduce wasteful methane emissions. Indeed, several firms provide LDAR surveys at well sites for as low as \$250 dollars per inspection.

While most American LDAR firms are small businesses, the growing methane mitigation industry has created thousands of high-skill, high-pay, and geographically-diverse jobs that cannot be offshored. CMES's support for the NSPS is supported by several factual premises. First, leaks are caused both by equipment failure and by operator error. In an exhaustive study of super-emitting leaks in the Barnett Shale region, the authors concluded that "equipment malfunctions and error inducing workforce conditions are the most common causes of excess emissions related to avoidable operating conditions." This point is critical, because it demonstrates that monitoring based on the age or quality of the equipment, is not sufficient and that regular monitoring as the rule requires is necessary.

Another important point is that, once detected, it is almost always cost efficient for the producer to repair these leaks. In fact, in a study we conducted of oil and gas companies complying with Regulation 7 in Colorado, a stricter LDAR approach than the one we are discussing today, the respondents found, overwhelmingly, that by complying with the rule, they were either breaking even or saving money as a result. Furthermore, implementation of the Colorado LDAR regulations progressed smoothly, with methane mitigation companies helping operators meet standards on the established timetable, without delays. In Colorado, oil and gas production is up, oil and gas industry employment is up, and new high-paying, non-exportable maintenance jobs are being created every day.

We urge the Environmental Protection Agency to consider the views of CMES and, most importantly, our members—American small businesses that have a distinguished track record in working with oil and gas companies to devise common-sense, achievable solutions that address methane waste in an efficient manner. It is our view that the existing rule meets that threshold and we urge the Administration to allow it to stand.

Sincerely,

A handwritten signature in cursive script, reading "Patrick Von Barga".

Patrick Von Barga
Executive Director
The center for Methane Emissions Solutions